

REMARKS

In view of the foregoing amendments and the following remarks, reconsideration and allowance are requested.

Claims 19-30 are now pending with claims 19, 22 and 24 being independent. Claims 19, 20, 22 and 23 have been amended and claims 29 and 30 are newly added.

Claims 19-21 stand rejected under 35 USC 101 for the reasons set forth at page 3 of the office action. Without conceding the propriety of this rejection, and solely to expedite allowance of this application, claim 19 has been amended as required by the Examiner to recite that the claimed system is "computer-based."

For the reasons stated at pages 3-4 of the office action, claims 19-28 stand rejected under 35 USC 102(b) as allegedly being anticipated by Grant (USP 4,694,397). This rejection and its underlying rationale are traversed.

As presented, independent claim 19 recites a computer-based system for facilitating electronic commerce transactions. The system comprises means for interfacing a plurality of Internet users, an accounts database for maintaining accounts, means for tracking account information for the Internet users in the accounts database, means for deducting a payment amount from an Internet's user's account corresponding to an accepted offer made by that Internet user to purchase one or more goods offered for sale by a third-party seller, and means for transferring the deducted payment amount to an account associated with the third-party who accepted the Internet user's offer to purchase the third-party's one or more goods. The art of record fails to disclose or suggest this combination of features.

Grant relates to a interface between a banking system and a brokerage system. More particularly, "a customer having a dual status, that is, one having both a banking and brokerage account, can transact both brokerage and banking activities from the brokerage system 12 through the banking/brokerage computer interface system [disclosed in Grant]." Grant at column 3, lines 10-15. However, Grant fails to disclose or suggest several express features of claim 19 including, for example, means for deducting a payment amount from an Internet's user's account corresponding to an accepted offer made by that Internet user to purchase one or more goods offered for sale by a third-party seller, and means for transferring the deducted

payment amount to an account associated with the third-party who accepted the Internet user's offer to purchase the third-party's one or more goods.

To the contrary, Grant's system does not contemplate or enable, among other things, being able to transfer funds from one party's account to another party's account in payment for goods. Rather, Grant's system is limited to enabling a single party to transfer funds between a banking account and a brokerage account, both of which belong to that same party.

This difference from Grant provides the system of claim 19 with several advantages including, for example, streamlining the online sale and purchase of goods and providing security and confidence to both buyer and seller about the integrity of the transaction. Accordingly, claim 19 is allowable over Grant for at least this reason.

Independent claim 22 recites a computer-based transactional system for facilitating payment between users in response to fixed-price or ascending bid auction format offering of used goods or collectibles. The transactional system of claim 22 includes a computer system in communication with the Internet and capable of executing a plurality of substantially simultaneous processes including one or more processes to (ii) deduct a payment amount from an Internet's user's account corresponding to an accepted offer made by that Internet user to purchase one or more goods or collectibles offered for sale by a third-party seller, and (iii) transfer the deducted payment amount to an account associated with the third-party who accepted the Internet user's offer to purchase the third-party's one or more goods or collectibles. Accordingly, claim 22 is allowable over Grant for at least the same reasons that claim 19 is allowable.

Independent claim 24 recites an apparatus for facilitating electronic commerce transactions. The apparatus of claim 24 includes an accounts database having a plurality of participant accounts including a buyer participant account and a seller participant account, and a transaction processor that is responsive to a command from a buyer participant to accept an offer for sale of an item posted by a seller participant and, in response, transfer funds accounted for in the accounts database from the buyer participant account to the seller participant account by book entry transaction. Accordingly, claim 24 is allowable over Grant for at least the same reasons that claim 19 is allowable.

The remaining claims each depends directly or indirectly from one of the independent claims discussed above. Accordingly, these dependent claims are allowable for the reasons that their respective independent claims are allowable and for reciting allowable subject matter in their own right.

In particular, it is noted that the office action failed to address several features expressly recited in the dependent claims including the following:

Claim 20

- “interest returned on said accounts is paid at least in part from investment returns from U.S. treasury notes”

Claim 21

- “means for receiving offers from said plurality of Internet users”
- “means for associating said offers from said plurality of Internet users with said account information”

Claim 23

- “provide via the Internet a user interface for participants to select from a predetermined item category, the category selection providing a further predetermined sub-category selection for item categorization”
- “providing a selling mode selection between at least an ascending bid auction mode and a fixed price mode”
- “providing a unique identification code or number for each item posted by a participant seller in the system”

Claim 25

- “a positive account balance in the buyer participant account results from one or more of the following: (i) proceeds from a past sale of at least one item posted for

sale; and (ii) from the transfer of funds to the first user account (the buyer) from a financial institution associated with the first user (the buyer).”

Claim 26

- “a positive account balance for the seller participant account is cleared by one or more of the following: (i) a check is printed and made paid to the order of the seller participant; and (ii) by electronic fund transfer from a financial institution associated with the system to a financial institution associated with the seller participant.”

Claim 27

- “credit card processing fees are eliminated by use of positive available balances of said user accounts in the buying and selling of collectable goods via the transaction processor transferring accounting balances between the accounts maintained in the accounts database.”

Claim 28

- “the buyer participant accepts the offer for sale from the seller participant, wherein the seller participant previously purchased the item as a network participant in the apparatus for facilitating electronic commerce and the buyer participant commands the transaction processor to clear the purchase by book entry transaction between the buyer participant account and the seller participant account.”

These express claim limitations cannot simply be ignored or overlooked in examining the claims. Each of these express claim limitations, none of which are taught or suggested by Grant, serves as a separate and independent reason for allowing the associated claim. Accordingly, independent consideration and allowance of the dependent claims are requested.

Applicant : Thomas G. Woolston
Serial No. : 09/557,617
Filed : April 25, 2000
Page : 10 of 10

Attorney's Docket No.: 13466-002011

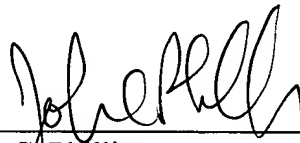
The foregoing comments made with respect to positions taken by the Examiner are not to be construed as acquiescence by the applicant with other positions of the Examiner that have not been explicitly contested. Accordingly, applicant's arguments for patentability of a claim should not be construed as implying that there are not other good reasons for patentability of that claim or other claims.

Please apply any charges or credits to deposit account 06-1050.

Respectfully submitted,

Date: _____

11/21/03



John C. Phillips
Reg. No. 35,322

Fish & Richardson P.C.
12390 El Camino Real
San Diego, California 92130
Telephone: (858) 678-5070
Facsimile: (858) 678-5099